State of Montana

REPORT TO THE LEGISLATURE

Sunset Review

BOARD OF MEDICAL EXAMINERS

The 1977 Sunset Law terminates the Board on July 1, 1981. This review provides information to assist the Legislature in making the decision to continue or modify the Board.

This report presents ten areas for Legislative consideration (page 38) including:

- Malpractice insurer reporting obligations.
- Incidence of medical malpractice.
- Regulating physician assistants.
- Changes in laws relative to Board membership, association approval of services, and citizenship.

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Room 135, State Capitol
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STATE OF MONTANA

Office of the Legislative Auditor

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June 1980

The Legislative Audit Committee
of the Montana State Legislature:

Herein transmitted is our sunset performance review of the Montana Board of Medical Examiners. The review was conducted in response to the 1977 Sunset Law, which terminates the board on July 1, 1981.

The review focused upon an examination of board operations. It does not encompass an audit of the board's financial transactions or overall compliance with state laws.

There are no formal recommendations in the report since the responsibility for such recommendations lies with the Audit Committee. Nevertheless, we discussed the contents of the report with a number of individuals and organizations, including the director of the Department of Professional and Occupational Licensing, the members of the Board of Medical Examiners, the Montana Medical Association, the Montana Foundation for Medical Care, the Governor's Office of Budget and Program Planning, and the Department of Social and Rehabilitation Services.

We wish to express our appreciation to the members of the board and to the director of the department and his staff for the assistance they provided during the review. We also wish to thank the members of various medical professions for assistance they gave us.

Respectfully submitted,

Morris L. Brusett

Morris L. Brusett, C.P.A.
Legislative Auditor

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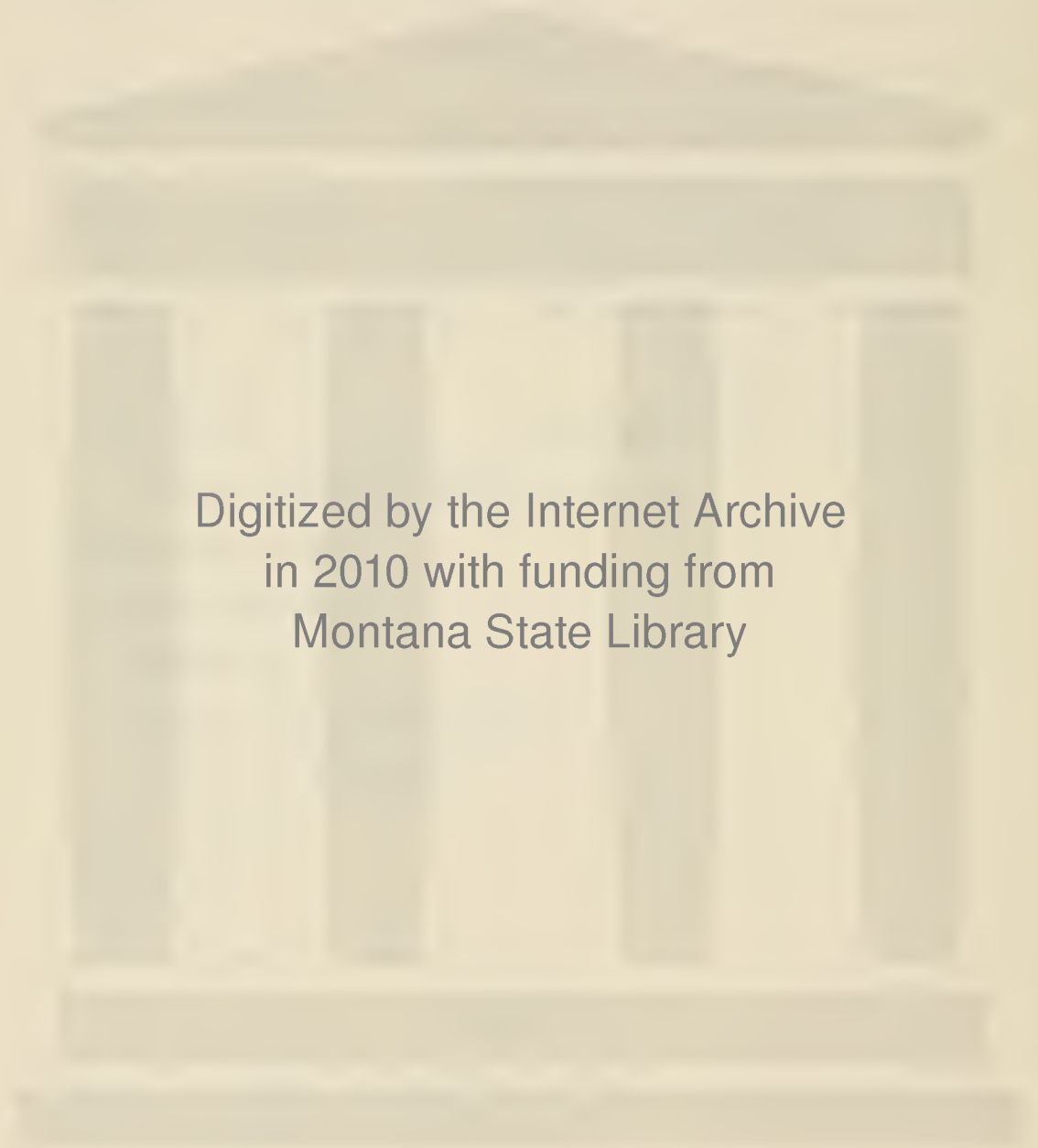

LIST OF ILLUSTRATIONS

APPOINTIVE AND ADMINISTRATIVE OFFICIALS

BOARD OF MEDICAL EXAMINERS

		Term Expires
Thomas J. Malee, M.D. President/Executive Secretary	Glendive	1980
John W. Strizich, M.D. Vice President	Helena	1985
Edward E. Bertagnolli, M.D.	Three Forks	1986
Lloyd L. Garrels, D.O.	Anaconda	1982
Henry H. Gary, M.D.	Missoula	1984
Allan L. Goulding, M.D.	Billings	1981
John A. Layne, M.D.	Great Falls	1983

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING

Ed Carney	Director
Dixie Heisey	Administrative Assistant

Chapter I

BACKGROUND

This sunset performance review addresses state regulation of various medical professions by the Board of Medical Examiners--a state regulatory board within the Department of Professional and Occupational Licensing.

REPORT OBJECTIVES

The 1977 Legislature passed a law terminating numerous regulatory boards and agencies, including the Board of Medical Examiners. This law, commonly referred to as the "sunset law," requires the Legislative Audit Committee to conduct a performance review of each terminated agency.

The performance review must objectively examine the need for each regulatory board/agency and the Audit Committee must offer recommendations for continuation or modification.

The sunset law also requires an examination of the following questions during the conduct of the committee's review:

(a) Would the absence of regulation significantly harm or endanger the public's health, safety, or welfare?

(b) Is there a reasonable relationship between the exercise of the state's police power and the protection of the public's health, safety, or welfare?

(c) Is there another less restrictive method of regulation available which could adequately protect the public?

(d) Does the regulation have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

(e) Is the increase in cost more harmful to the public than the harm which could result from the absence of regulation?

(f) Are all facets of the regulatory process designed solely for the purpose of, and have as their primary effect, the protection of the public?

Using the information contained in this report, and that gathered during a public hearing, the committee will address these six questions. During the hearing process, testimony and comments will be heard from the board/agency, the profession, and interested members of the public.

In defining legislative intent, the sunset law states that by requiring periodic examination in the form of a performance review, the legislature will be in a better position to ensure that agencies and their programs exist only to be responsive to state residents' needs. The sunset law terminates the Board of Medical Examiners on July 1, 1981.

MEDICAL PROFESSIONS

The Board of Medical Examiners is responsible for licensing and regulation within three areas of medical care: medical doctors, acupuncturists, and emergency medical technicians.

Medical doctors are the primary providers of medical care, generating the need for and requiring the

services of many other health professionals. Doctors generally practice in centralized treatment centers, i.e., hospitals, clinics, and institutions. Most doctors specialize rather than engage in general practice. General practitioners makeup approximately 20 percent of the profession. Some common medical doctor specialties are as follows:

--Internal medicine
--Obstetrics and Gynecology
--Opthalmology
--Pediatrics
--Radiology
--General Surgery
--Anesthesiology
--Dermatology
--Psychiatry

In 1979, there were 1,661 medical doctors licensed with the Montana board.

Acupuncturists provide treatment by means of mechanical, thermal, or electrical stimulation effected by the insertion of solid needles. A person licensed as an acupuncturist need not be a medical doctor. All individuals who practice acupuncture must have completed appropriate training and passed an examination in acupuncture. Acupuncture is not a widely used form of medical treatment and is usually practiced in a private clinic or office setting. In 1979, there were 9 licensed acupuncturists in Montana.

Emergency Medical Technicians (E.M.T.s) are of two types. The "E.M.T. basic" is a volunteer or nonvolunteer police, fire, rescue, ambulance, or emergency service provider who has been specially trained in

emergency care and has demonstrated a level of competence suitable to treat victims of injury or those requiring emergency treatment. The "E.M.T. advanced" has been trained to treat victims with more severe injuries or emergency conditions. There are presently no E.M.T.s at the advanced level in Montana. In 1979, there were 588 licensed E.M.T.'s.

According to a National Health Expenditures report, the nation spent $163 billion for health care in fiscal year 1976-77. This figure was 12 percent higher than spending for the same purposes in the previous 12 months. Public spending, which financed 42 percent of all health care in 1977, increased 11 percent while private spending rose 13 percent. From 1965 to 1977, public sector health spending rose from $9.5 to $68.4 billion, and the total spent for physicians' services ($32.2 billion) reflected a 13 percent rise. Third-party payments (i.e., insurance, Medicaid) financed 70 percent of all personal health care in the country. Ninety-two percent of all hospital charges are paid by third parties.[1] In Montana, the total health care expenditures for public and private sectors amounted to approximately $534 million in 1977.[2]

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[1] National Health Expenditures, Fiscal Year 1977, Robert M. Gibson and Charles R. Fisher, Social Security Bulletin, July 1978, Vol. 42, No. 7.

[2] Preliminary State Health Plan, Phase I, Montana Department of Health and Environmental Sciences, September 1978, Chapter 6, p. 3.

Chapter II

BOARD OF MEDICAL EXAMINERS

INTRODUCTION

The present Board of Medical Examiners was created by statute in 1889 as the State Board of Medical Doctors. In 1969, the "Medical Practice Act" was enacted providing for a comprehensive revision of the board's statutory powers, duties, and responsibilities. As a result of the Executive Reorganization Act of 1971, the board was changed from an independent state agency to a board within the Department of Professional and Occupational Licensing.

Until 1979, the board was responsible for licensing physical therapists. This authority was transferred to the Board of Physical Therapists, created during the 1979 Legislature.

BOARD RESPONSIBILITY

Current board regulation includes the administration of examinations, adoption of rules, and the investigation and resolution of complaints against the medical professions within the scope of the board's authority. The board presently regulates and licenses medical doctors, acupuncturists, and emergency medical technicians.

Medical Doctors

The practice of medicine in Montana is a privilege granted by legislative authority and the board is

charged with ensuring that only competent medical doctors are licensed to practice medicine.

Board activities related to the practice of medicine in Montana are cited in section 37, chapter 3, MCA, and include:

--approval of medical schools

--approval of internship training

--approval of residency training

--administration and grading of the medical examination

--issuing physician's certificates

--issuing temporary certificates

--collection of registration fees

--determination of unprofessional conduct

--complaint investigation

--revocation or suspension of licenses

--medical doctor probation

Acupuncturists

Board activities related to the practice of acupuncture in Montana cited in section 37, chapter 13, MCA, include:

--adoption of educational requirements

--examination and licensure

--collection of annual registration fees

--complaint investigation

--determination of unprofessional conduct

--holding of hearings

--revocation or suspension of licenses

Emergency Medical Technicians

In 1975, the Montana Legislature determined that public welfare requires the providing of assistance and encouragement for the development of a comprehensive emergency medical services program for Montanans. The Department of Health and Environmental Sciences was required to establish and administer the emergency medical services program in Montana. The Board of Medical Examiners' responsibility related to emergency medical services includes:

- --approval of training programs
- --approving the qualifications of instructors and applicants
- --examination approval
- --certification
- --approval of continuing education
- --suspension or revocation of a certificate

BOARD OPERATIONS

Structure

The board is composed of seven members who are appointed by the Governor for staggered terms of seven years. The law stipulates that the board be composed of six members having degrees of Doctor of Medicine and one member having a degree of Doctor of Osteopathy. The laws governing the board also require that the doctors of medicine be from separate counties and that all members be residents of the state and licensed practitioners for at least five years.

The board is required by law to hold at least two meetings each year. For calendar year 1973 through 1979, the board held the following number of meetings:

BOARD MEETINGS

Calendar Year	No. of Meetings
1979	4
1978	4
1977	4
1976	4
1975	2
1974	2
1973	2

Source: Compiled by the Office of the Legislative Auditor.

Illustration 1

While attending and traveling to and from board meetings or participating in board activities, board members receive $25 per day plus travel expenses.

Staffing and Funding

The board is attached to the Department of Professional and Occupational Licensing for administrative purposes. The department provides administrative support to the board in the form of secretarial, legal, budgeting, and accounting services; but the board is autonomous in decision-making functions with respect to the licensing process. The department staffs the board with an administrative assistant (.65 FTE), a clerical secretary (.50 FTE), and an executive secretary (.25 FTE).

The board is financed from an account in the earmarked revenue fund. The money for board operations

comes from examination and license fees paid by doctors, acupuncturists, and E.M.T.'s. Most fees are set by statute. The renewal fees for doctors can be set by the board up to a statutory maximum. The doctor examination fee is required to be set commensurate with costs of administration and the $350 background investigation fee for acupuncturists is established by board rule. The current fees charged by the board for medical doctors and acupuncturists are shown in Illustration 2.

FEE SCHEDULE

	Medical Doctors	Acupuncturists
Application	$100	$ 50
Background Investigation Fee	None	350
Examination or Reexamination	80	25 (reexam)
Temporary License (Application/ Renewal)	25	None
Annual Registration/Renewal	50 (max $100)	20
Out-of-State Renewal	50 (max $50)	20
Penalty for Late Renewal	10	5
License by Reciprocity	100	20

Source: Compiled by the Office of the Legislative Auditor.

Illustration 2

The total fee for Emergency Medical Technician (E.M.T.) certification is $35 and is broken down below. The renewal fee is $15 per year.

E.M.T. FEE SCHEDULE

Examination Administration - Department of Health	$17.50
Board of Medical Examiners	2.50
National Registry of Emergency Medical Technicians	15.00
	$35.00

The following illustration depicts the financial history of the board from fiscal year 1972-73 through fiscal year 1978-79. Fund balances are as of June 30 of each fiscal year.

BOARD FINANCES

Fiscal Year	Revenues	Expenditures*	Fund Balance
1978-79	$116,875	$89,922	$95,259
1977-78	120,506**	86,856	68,306
1976-77	44,045	46,526	34,656
1975-76	44,363	43,822	37,137
1974-75	39,496	40,548	36,596
1973-74	33,386	30,627	37,648
1972-73	30,629	25,479	34,889

*Includes prior year expenditures, adjustments, and accruals.
**Increase due to higher license fees to cover increased costs.

Source: Compiled by the Office of the Legislative Auditor from the financial reports for the state of Montana.

Illustration 3

BOARD GOALS AND OBJECTIVES

The sunset law requires each board/agency under review to define its goals and objectives. The stated goal of the board is:

> To carry out the intent of the law so that the public will have confidence in those individuals licensed to practice medicine, acupuncture, and emergency medical service.

Based upon the preceding goal, the stated objective of the board is:

> To provide 1,675 annual renewal licenses and provide examinations to 35 applicants per year with a general increase in disciplinary actions.

BOARD LICENSING

For all licenses and certifications granted by the board, applicants must meet specific qualifications.

The following requirements are necessary for medical doctors, acupuncturists, and emergency medical technicians to become licensed.

Medical Doctor:

--Good moral character as determined by the board.

--Graduation from an approved medical school.

--Completion of an approved internship of at least one year.

--Certificate of examination issued by the national board of medical examiners or equivalent.

--Personal appearance before the board unless specifically waived.

Acupuncturist:

--Be at least 18 years of age.

--Be a citizen of the United States or file a properly executed declaration of intention to become a citizen of the United States.

--Be of good moral character as determined by the board.

--Be a graduate of an approved school of acupuncture or complete a course in acupuncture approved by the board.

--Successfully passing an acupuncture examination administered by the board or have certification of licensure from another state with requirements equivalent to Montana's.

Emergency Medical Technician:

--Be 18 years of age or older.

--Be active in the emergency medical services field as a first responder.

--Successfully complete the written and practical examinations, in accordance with the National Registry and the Emergency Medical Services Bureau of the Department of Health and Environmental Sciences.

The following illustration is a comparison of requirements for each license granted by the board.

COMPARISON OF REQUIREMENTS

Requirements for Licensure	Medical Doctors	Acupuncturists	Emergency Medical Technicians
Citizenship		*	
Good Moral character	*	*	*
Education	*	*	
Experience or additional training	*	*[1]	*[1]
Written examination	*[1]	*	*
Oral/practical examination	*[1]	*[1]	*
Reciprocity with other states	*	*	*[1]
Temporary licensure	*[1]	*[1]	
Certificate issued	*	*	*
Annual/periodic license renewal	*	*	*
Continuing education			*
Appearance before board	*[1]	*[1]	

*Indicates requirement

[1]At discretion of the board

Source: Compiled by the Office of the Legislative Auditor.

Illustration 4

As noted in the above requirements, the board is responsible for examination of applicants for all types of licensure. The examination administered in Montana for medical doctors is the National Federation Licensing Examination (FLEX). The FLEX is developed by the Federation of State Medical Boards and is administered

by the Board of Medical Examiners twice a year in Helena. If an applicant is applying for licensure through reciprocity, the board will also accept the examinations of the National Board of Medical Examiners, the National Board of Examiners for Osteopathic Physicians, or the Medical Council of Canada.

The acupuncture examination was developed by the board, and, if necessary, is administered twice a year in Helena. The examination (written and practical) for E.M.T.'s was developed by the National Registry of Emergency Medical Technicians and is administered through the Department of Health and Environmental Sciences approximately once a month. Examination locations are alternated on a monthly basis throughout the state.

The following illustrations show the number of medical doctors, acupuncturists, and emergency medical technicians taking and passing examinations and the number of individuals licensed over the past six years.

NUMBER OF APPLICANTS TAKING AND PASSING EXAMINATIONS

License Type:	Medical Doctors			Acupuncturists			E.M.T.'s		
Fiscal Year	Taken	Passed	%	Taken	Passed	%	Taken	Passed	%
1978-79	30	14	47	0	0		999	435	43
1977-78	23	17	74	0	0	--	596	133	22
1976-77	27	10	37	1	1	100	--	--	--
1975-76	25	15	60	5	5	100	--	--	--
1974-75	16	4	25	--	--	--	--	--	--
1973-74	20	7	35	--	--	--	--	--	--
1972-73	24	11	46	--	--	--	--	--	--

Source: Compiled by the Office of the Legislative Auditor from board records.

Illustration 5

BOARD LICENSING FISCAL YEAR 1973-74 TO 1978-79

	Medical Doctors			Acupuncturists*		E.M.T.s*	
	New	Renewed	Temporary	New	Renewed	New	Renewed**
1979	135	1,584	77	0	9	455	0
1978	211	1,532	107	0	9	133	0
1977	111	1,580	101	1	10	0	0
1976	108	1,507	150	0	9	0	0
1975	86	1,439	82	9	0	0	0
1974	85	1,360	90	0	0	0	0

*Licensing law enacted in 1974.

**Biennial renewal, none renewed in 1979.

Source: Compiled by the Office of the Legislative Auditor.

Illustration 6

Temporary licenses for medical doctors are now issued by the board to applicants who do not wish to become permanently licensed in the state, but have qualifications equal to those of permanently licensed doctors. Temporary licenses were once issued to doctors who had not passed the FLEX (Federation Licensing Examination) but were practicing under the direction of a licensed doctor in a public institution. Only two individuals are now licensed in this manner and they must pass the FLEX by June 1981 to continue practice. The board can place conditions and limitations on the practice of a licensee holding a temporary certificate. Temporary licenses may be renewed annually up to a maximum of five renewals at the discretion of the board.

COMPLAINTS AND DISCIPLINE OF LICENSEES

Discipline within medicine not only involves the board, but also the federal government and several constituent bodies of medicine. These include the American Medical Association, the Federation of State Medical Boards, professional standards review organizations (PSRO's), the state medical association, the county medical societies, and the medical staff of hospitals. (See Chapter III for further discussion.)

Medical Doctors

The board has the authority to suspend or revoke licenses for the following types of "unprofessional conduct" as outlined in section 37-3-322, MCA:

--Resorting to fraud, misrepresentation, or deception in applying for or securing a license.

--Performing abortion contrary to law.

--Obtaining a fee by misrepresenting that an incurable disease, injury, or condition can be cured.

--Willful disobedience of the rules of the board.

--Conviction of an offense or felony involving moral turpitude.

--Administering, dispensing, or prescribing a narcotic or hallucinatory drug outside the course of legitimate or reputable professional practice.

--Habitual intemperance or excessive use of narcotic drugs, alcohol, or any other drug or substance to the extent that the use impairs the user physically or mentally.

--Conduct unbecoming a person licensed to practice medicine or detrimental to the best interests of the public.

--Resorting to fraud, misrepresentation, or deception in the examination or treatment of a person or in billing or reporting to a person, company, institution, or organization.

--Testifying in court on a contingency fee basis.

--Conspiring to misrepresent or willfully misrepresenting medical conditions improperly to increase or decrease a settlement, award, verdict, or judgment.

--Aiding or abetting in the practice of medicine a person not licensed to practice medicine or a person whose license to practice medicine is suspended.

--Gross malpractice or negligent practice.

A complaint against a medical doctor may be initiated through the board's complaint form or a letter. All board members receive a copy of the complaint and it is discussed at the next board meeting. A decision is then made on whether to investigate. If an investigation is deemed necessary, the board, through the department, hires a doctor with appropriate expertise in the complaint area and a report is submitted. Upon receipt of the investigation report and the evidence presented, the board may hold a formal or informal hearing.

For fiscal years 1972-73 through 1978-79, the board has processed complaints on 104 physicians, which resulted in 5 license revocations and 3 temporary suspensions. The board regularly holds informal hearings and uses a wide range of disciplinary actions. Various disciplinary actions include: reduced privileges, nonrenewal of temporary licenses, letters of

reprimand, verbal reprimands, or any other actions deemed appropriate by the board. A summary of board action appears in Illustration 7.

COMPLAINTS BY CATEGORY AND BOARD ACTION
FISCAL YEARS 1972-73 TO 1978-79

Complaint Category	Number	Board Action: Left State/No Further Action	License Revocation	License Suspension	Reduced Privileges	Nonrenewal of Temporary License	Reprimand	Surrender of License	Board Determined No Action Appropriate	Other Non-Disciplinary	License Denial
Gross Malpractice	1	--	1	--	--	--	--	--	--	--	--
Conduct Unbecoming to the Practice of Medicine	7	1	--	--	--	--	1	2	2	1	--
Habitual Intemperance/Narcotic Drugs or Alcohol	4	--	2	--	--	--	--	--	1	--	1
Unnecessary Surgery	2	--	--	--	1	--	--	1	--	--	--
Illegitimate Dispensing of Narcotic Drugs	22	1	--	3	4	--	1	1	11	1	--
Alleged Poor Medical Practice	30	4	--	--	--	1	2	--	19	4	--
License Revoked in Another State	5	--	2	--	--	--	--	--	--	--	3
Patient/Physician Conflict	15	--	--	--	--	--	1	--	12	2	--
Other*	18	2	--	--	--	1	--	--	7	6	2
TOTAL	104	8	5	3	5	2	5	4	52	14	6

Source: Compiled by the Office of the Legislative Auditor from board records.

*Not listed, unlicensed practice, business unrelated to medicine, citizenship, improper billing.

Illustration 7

Complaints against doctors originate from a number of sources as depicted in the following illustration.

SUMMARY OF COMPLAINTS TO THE BOARD
Fiscal Years 1973-1974 to 1978-79

Complaining Party (as indicated in complaint register)	Fiscal Year 1973	1974	1975	1976	1977	1978	1979	Total
1) Board of Medical Examiners	3		3	4	5	4	1	20
2) Private Individual (including Doctor or Nurse)	2	4	4	9	7	12	11	49
3) Hospital			3	2		1	1	7
4) Civil Authority	1		1	2	2	2		8
5) Medical Society	1			1			1	3
6) Private Association					2	1		3
7) Insurance Company					1	1		2
8) Other*					1	4	7	12
Total Number of Complaints	7	4	11	18	18	25	21	104

*Not listed, Confidential, Montana Board of Pharmacy

Source: Compiled by the Office of the Legislative Auditor from board records.

Illustration 8

Once a month the board receives a publication from the Federation of State Medical Boards of the United States which lists medical doctor license revocations in all 50 states. According to Montana law, the board

can revoke a doctor's license in Montana if the doctor's license was revoked in another state for improper practice of medicine. As noted in Illustration 7, this has occurred twice in Montana.

Acupuncturists

The license of an acupuncturist may be denied, suspended, or revoked for any one or any combination of the following causes:

--conviction of a felony or conviction of a violation of any state or federal law regulating the possession, distribution, or use of any controlled substance;

--being adjudicated incompetent or seriously mentally ill;

--sustaining a physical or mental disability which renders further practice dangerous;

--habitual drunkenness or habitual addiction to the use of a controlled substance;

--gross malpractice;

--engaging in any dishonorable, unethical, or unprofessional conduct which may deceive, defraud, or harm the public or which is unbecoming a person licensed to practice;

--obtaining or any attempt to obtain a license or practice in the profession for money or any other thing of value by fraudulent misrepresentations;

--advertising by means of knowingly false or deceptive statements;

--advertising, practicing, or attempting to practice under a name other than one's own;

--using any false, fraudulent, or forged statement or document or engaging in any fraudulent, deceitful, dishonest, or immoral practice in connection with the licensing of acupuncture; and

--violating, attempting to violate, or assisting the violation of acupuncture laws.

As of June 30, 1979, there had been no complaints filed against acupuncturists and no revocations or suspensions of licenses have occurred.

Emergency Medical Technicians

There are no statutory provisions for the revocation or suspension of an E.M.T. certificate. However, the law allows the board to adopt rules to implement the emergency medical services act and the board rules list the following as causes for suspension or revocations:

--Represent oneself as a physician.

--Incapable of performing as an emergency medical technician.

--Fail to renew the certificate within 90 days of the expiration date.

--Habitual use of intoxicants or drugs.

--Mental incompetency.

As of June 30, 1979, no complaints had been filed against E.M.T.'s.

REPORTING OBLIGATIONS OF LICENSEES AND ORGANIZATIONS

In 1977, several laws were enacted by the Montana Legislature to enable the board to be informed of medical doctor-related problems throughout the state. Section 37-3-401, MCA requires:

--Each licensed physician, professional standards review organization, state medical association or component society report to the State Board of Medical Examiners any information which appears to show that a physician is:

1) medically incompetent

2) mentally or physically unable to safely engage in the practice of medicine

3) guilty of unprofessional conduct

Section 37-3-403, MCA, requires:

--Each hospital or health care facility which prohibits or limits the privilege of a physician to practice medicine within that facility report such action to the board if the action is taken because the physician is:

1) medically incompetent

2) mentally or physically unable to safely engage in the practice of medicine

3) guilty of unprofessional conduct

Section 37-3-402, MCA, requires:

--Any insurer that issues or underwrites malpractice insurance in this state to any licensed physician report to the board any claim against the insured for alleged professional negligence.

The law also provides that a person, organization, association, society, or health care facility which, in good faith, provides information to the board is not subject to suit for civil damages for reporting.

EXEMPTIONS TO REGULATION

The law states that a person who practices medicine without having first secured a license to practice in this state is guilty of a misdemeanor. The exemptions to this requirement are given in section 37-3-103, MCA, and are summarized as follows:

--gratuitous rendering of services in cases of emergency or catastrophe;

--occasional rendering of services by a physician lawfully practicing in another state;

--practice under the conditions defined by the laws of dentistry, podiatry, optometry, osteopathy, or chiropractic;

--the practice of Christian Science;

--the performance of commissioned medical officers of the U.S. armed forces; and

--other services rendered under the supervision of licensed doctors, i.e., nursing, medical intern training, physical therapy, and other paramedical specialties.

Chapter III

OTHER REGULATION

MEDICAL DOCTORS

Regulation in medicine occurs at three levels: federal, state, and private. The following is a discussion of each of these levels and their inter-relationships.

Federal Regulation

Federal regulation of doctors is based upon the premise; if doctors want to involve themselves in activities that are supported through federal funding, they must adhere to federal regulations concerning those activities. The following are four areas of federal regulation:

--Professional Standards Review Organizations (PSRO)

--Medicare

--Medicaid

--Drug Enforcement Administration (DEA)

Professional Standard Review Organizations (PSRO)

Professional Standards Review Organizations (PSRO's) are federally mandated by PL 92-603, which amends the Social Security Act. The Secretary of the U.S. Department of Health, Education, and Welfare designated the Montana Foundation for Medical Care as the PSRO for the entire state in May 1975. The Foundation presently has a $1 million per year contract with

the federal government to review every hospital admission or patient file concerning federal program claims. There are about 46,500 federally-reimbursed hospital admissions in Montana per year and these are reviewed to ensure quality medical care by identifying possible fraud, abuse, or poor medical practice.

In 1978, the Montana PSRO recommended that four doctors be removed from federal reimbursement rolls. Hearings on the four cases are now at the federal level.

In the past, the nature and specifics of PSRO investigations were not revealed to state licensing boards because the PSRO had determined that federal privacy laws precluded the disclosure of its investigation information. Recently, the PSRO sought clarification of its authority to release information. The U.S. Department of Health, Education and Welfare (HEW) responded as follows: ". . . the Secretary formally recognizes state licensing boards as having responsibility for identifying and investigating cases or patterns of fraud and abuse. Thus, the Montana Board of Medical Examiners, as the state licensure board, is responsible for investigating fraud and abuse in Montana and therefore is an authorized recipient of PSRO information."

Present communications between the Board of Medical Examiners and the PSRO have improved, but there

are still uncertainties relating to the type of information which can legally be disclosed by the PSRO.

Medicare

Medicare claims are received and screened for validity and necessity by review organizations appointed by the Health Care Financing Administration (HCFA) of HEW. Blue Shield has the contract in Montana to screen claims submitted for physician services. Blue Cross reviews the claims of service providers, such as hospitals and long-term care facilities.

HCFA also appoints a review organization to undertake investigations of particular cases where there is a likelihood that excessive claims or claims for unnecessary services were submitted. The PSRO is the designated investigative body for hospitals and long-term care facilities in Montana. Individual doctors' claims are investigated by Blue Shield. The Utilization Review Department of Blue Shield stated that it has no formal contact with the board concerning Medicare claims. The alleged violations are reported to HEW. Records indicate that there has never been a formal complaint filed with the board from a Medicare agency.

Medicaid

Medicaid is not entirely a federal program. The federal government is responsible for providing matching funds for the state's Medicaid programs. A Medicaid State Agency is designated to administer the

Medicaid funds. This agency is responsible for reviewing Medicaid claims to assure that excessive claims or claims for unnecessary services are detected. The Medicaid State Agency for Montana is the Department of Social and Rehabilitation Services (SRS). SRS, in turn, has contracted with the Montana Foundation for Medical Care to screen claims. (Further discussion on page 30.)

Drug Enforcement Administration

The Drug Enforcement Administration (DEA) of the U.S. Department of Justice licenses all persons and firms involved in the manufacture, distribution, and dispensing of controlled substances. Therefore, the DEA licenses medical practitioners who prescribe or dispense drugs.

DEA licensure has the effect of controlling access to controlled substances. DEA does not perform regular investigations to assure that everyone dispensing drugs is licensed. However, criminal conviction of a violation of the federally controlled substances act is grounds for revocation of DEA licensure.

Since 1972, there is no record of the DEA filing a complaint with any medical licensing board, although the DEA has cooperated with the Board of Pharmacists in Montana.

State Regulation

Thirteen boards within the Department of Professional and Occupational Licensing regulate various

health related professions, i.e., dentistry, nursing, and optometry. Additionally, the Montana Department of Health and Environmental Sciences is actively involved in areas such as hospital and medical facilities, dental health, maternal and child health, nursing, and preventive health. The basic responsibility of the department is to assess health care needs and to implement programs designed to meet these needs and alleviate problems. The department is not directly involved in regulating practitioners; although, the department's Health Care Facilities and Manpower Program is responsible for monitoring the operation, maintenance, and design of various medical facilities and services; including hospitals, long-term care facilities, ambulance services, out-patient physical therapy and speech pathology services, and mental health treatment facilities. The Program has legal authority to issue facility licenses, grant Medicaid certification, and recommend Medicare certification to those facilities and services which meet the regulations. It has the legal responsibility to revoke the license or certification of any facility or service which falls below minimum standards and jeopardizes the health of patients or clients.

As previously noted, Medicaid is a cooperative program between the federal government and the states. The Medicaid agency for Montana is the Department of

Social and Rehabilitation Services (SRS), which has contracted with the Montana Foundation for Medical Care to screen claims. If questions arise during the Foundation's review of claims concerning the appropriateness of services, the claims and practices of providers are reviewed by a peer consultant. If necessary, the activities may be further scrutinized by a committee of peers selected by the foundation.

Any indications of overt abuse of the claim system which are discovered are forwarded to the Program Integrity Bureau of SRS. If fraud is indicated, the bureau transfers the investigation to the Department of Revenue which is empowered by law (section 53-2-501, MCA) to investigate matters relating to public assistance when requested by SRS. Between 1975 and 1978, SRS recorded approximately 49 integrity reviews of doctors. A summarization of reviews involving doctors appears below:

REVIEW OF MEDICAID CLAIMS (1975-1978)

Allegation		Action*	
Overcharging	5	Insufficient Facts	34
Claim Abuse	23	Funds Recovered	1
Services Not Provided	11	Closed-No Violation	9
Duplicate Billing	3	Warning Letter	1
Other Fraud	6	Referred to Law Enforcement	1
Not Specified	1	Convicted	0
		Not Specified or In Process	5
Total	49	Total	51

*More than one action possible on one allegation.

Source: Compiled by the Office of the Legislative Auditor.

Illustration 9

Private Regulation

In addition to government regulation of medical doctors, there is also regulation by private entities. The three most common private entities are hospitals, professional associations, and insurance companies.

Hospitals

Medical practitioners who are granted practice privileges in a hospital come under periodic review by the hospital. In most cases, the hospital has a quality assurance committee made up of doctors which reviews the practices of staff members. If a problem is detected, the committee and the practitioner discuss the situation. Typically, some resolution of the problem is reached through discussion and education. The findings of the committee are the confidential records of the hospital.

If the problem is serious, the practitioner's privileges can be suspended or revoked. Such disciplinary actions against doctors are required by law to be reported to the Board of Medical Examiners. Board of Medical Examiners' records indicate that three doctors have been reported to the board for loss of privileges. Board records show seven complaints filed against doctors by hospitals between fiscal years 1972-73 and 1978-79. The medical doctor complaints resulted in one suspension, one retirement, one license surrender, one practice limitation, two leaving the state, and one no-violation decision.

Professional Associations

Most professional associations have peer review committees which examine problems concerning association members. These complaints may originate from consumers, insurance company inquiries, licensing board requests for investigative services, or a PSRO peer review. The committees investigate and determine whether a valid complaint exists. The associations generally attempt to mediate a solution and then report their results. In addition, the association may reprimand or expel a member.

If problems appear serious, the associations can report to the licensing board. In the case of the Board of Medical Examiners, the Montana Medical Association is required by law to report any physician who appears medically incompetent or guilty of unprofessional conduct. The Association has reported three physicians to the board.

The nature and details of association investigations and resulting actions are the confidential information of the private organizations. Section 37-2-201, MCA, states that the records of the peer review are not subject to discovery or introduction into evidence in any proceeding. However, information otherwise discoverable from an original source is not immune from discovery or use merely because it was presented before the peer review.

Insurance Companies

Two types of insurers are involved with medical practitioners, health insurers and malpractice insurers.

Health insurance companies receive complaints concerning the quality of service rendered by a practitioner. These complaints are generally forwarded to the appropriate professional association for action. In cases where the complaint is serious, the licensing board may be informed. The Board of Medical Examiners has recorded two insurer-based complaints. Neither resulted in violations being determined by the board.

Malpractice insurance companies are required by state law to report all malpractice claims against physicians to the Board of Medical Examiners. Since this statute went into effect in 1977, two companies writing policies in the state have reported to the board. Some insurers are not reporting malpractice claims to the board as required; however, there is no record of any action being taken against insurers by the Insurance Commissioner for not complying with the reporting requirements. Approximately 100 malpractice claims have been reported to the board by the two companies since the law's inception. (Further discussion on page 39.)

A Montana Medical Malpractice Panel was created by statute in 1977. The director of the panel is appointed by the executive director of the Montana

Medical Association, subject to the approval of the Chief Justice of the Montana Supreme Court. The panel, composed of three physicians and three attorneys, reviews all malpractice claims against providers. The purpose of the panel is to prevent the filing of unsubstantial or unreasonable malpractice actions against health care providers. In order to fund the panel, an annual surcharge is levied on all licensed physicians, hospitals, and long-term facilities. The funds are administered by the director of the panel. For calendar year 1979 the panel collected $75,650 in revenue and expended $63,054. Failure by a doctor to pay the surcharge can result in notification to the Board of Medical Examiners, which may revoke a license. Revocations have not occurred, but some out-of-state or retired doctors have surrendered their licenses to the board rather than pay the surcharge.

Other States

Doctors of Medicine (MD's) are licensed in all states and the District of Columbia. Although the regulation of doctors throughout the U.S. is uniform in most respects, there are a number of regulatory facets which differ from state to state. The following illustration compares various facets of Montana's regulatory process with those of other states.

REGULATION OF MEDICAL DOCTORS

Facet	U.S.	Montana
Board Size	15 boards - 3-6 members 20 boards - 7-9 members 13 boards - 10-12 members 3 boards - 13-20 members	7 members
Board Makeup	22 boards - medical doctors only 22 boards - majority of medical doctors with 1-5 members from other professions 9 boards - have 1-3 public members 1 board - majority of other professions and public	7 medical doctors
Examination	51 - boards - written 9 - boards - oral 12 - boards - practical	Written* Oral* Practical*
License Renewal	39 - Annual 12 - Biennial	Annual
Continuing Education	27 boards - required for relicensure	No

*At discretion of board.

Source: Compiled by the Office of the Legislative Auditor using U.S. Department of Health, Education, and Welfare data, 1977 and other sources.

Illustration 10

ACUPUNCTURE

There is no federal regulation of the practice of acupuncture and Medicare and Medicaid will not reimburse for acupuncture treatment. However, at least 12 states or jurisdictions recognize and regulate the practice of acupuncture in one form or another. In 8 states (Montana included) individuals desiring to practice acupuncture must be licensed. Four other

states require no license to practice but do require supervision by a licensed medical doctor. Nevada, the only state recognized by the Montana board for license reciprocity, licenses four separate types:

--Dr. of Traditional Oriental Medicine

--Dr. of Acupuncture

--Dr. of Herbal Medicine

--Dr. of Acupuncture Assistant

To be a doctor of Traditional Oriental Medicine, the most prestigious of the licenses, an individual must have 3 years of training and 10 years of practice in both acupuncture and herbal medicine. There are no schools of acupuncture in the U.S. and virtually all practitioners received their training and experience in the Orient.

Unlike other professions, professional societies have had minimal input into the regulation of acupuncture in the U.S.

EMERGENCY MEDICAL TECHNICIANS

All states and the District of Columbia provide for certification of the Emergency Medical Technician (E.M.T.) basic. Forty-eight states, including Montana, have provisions for the E.M.T. advanced or paramedic. In most states, emergency medical services are administratively attached to the Department of Health, although approximately 13 have separate bureaus or state agencies expressly established for emergency service.

There is no federal regulation of the states' emergency medical services. However, the federal government has established minimum requirements for emergency vehicle equipment.

As with many health professions, professional societies contribute input into state licensing laws. The National Registry of Emergency Medical Technicians was established in 1970 and all Montana E.M.T.'s are required to meet qualifications similar to those set by the Registry. The Registry establishes bylaws, determines qualifications for eligibility, and develops the educational programs and the licensing examination taken by E.M.T.'s. The Registry also has the authority to revoke its certification. Without certification and membership in the Registry, E.M.T.'s cannot be licensed by the board. Additionally, the board's continuing education requirement for relicensure is necessary for registry recertification.

Chapter IV

AREAS FOR LEGISLATIVE CONSIDERATION

The design and effectivenss of certain aspects of the regulatory process may warrant legislative consideration. The intent of the following sections is to briefly discuss these aspects as they apply to the Board of Medical Examiners.

The areas for consideration include:

1. Insurer Reporting Obligations
2. Medical Malpractice
3. Continuing Competency
4. Physician Assistants
5. Association Approval of Services
6. Citizenship
7. Board and Profession Membership
8. Fund Balance and Examination Fee
9. Administrative Functions
10. Other Areas of Consideration

In sunset reviews of Montana's Boards of Osteopathic Physicians and Podiatry Examiners, the issue of having the licensees of these boards regulated and licensed by the Board of Medical Examiners or through adjuncts to the board was addressed. The issue was raised because of the small number of licensees regulated by the boards and the lack of board incomes to enable the boards to carry on effective regulation.

INSURER REPORTING OBLIGATIONS

As discussed in Chapter II, some individuals and groups have specific legal reporting obligations with respect to medical doctors. Section 37-3-402, MCA, requires:

> "Any insurer that issues or underwrites malpractice insurance in this state to any licensed physician shall report to the Board of Medical Examiners any claim against the insured for alleged professional negligence."

Nonreporting

Although two insurers have consistently complied with this reporting requirement, others have not. According to data obtained from the National Association of Insurance Commissioners, 30 insurers, licensed in Montana, received premiums of over $5½ million for all types of medical malpractice insurance, and 14 insurers reported paying malpractice claims for 1978 in Montana. The data does not indicate what type of medical provider was involved in each claim (i.e., medical doctors, hospitals, nursing homes, dentists, nurses, etc.). However, our review indicated that claims have been filed against medical doctors who did not appear on the reporting forms submitted by the two reporting insurers. This is an indication that more than just two companies are receiving and paying physician malpractice insurance claims in Montana. For failure to report claims, insurer license privileges may be revoked by the Montana Insurance Commissioner.

(No such action has been taken.) Because all insurers are not reporting, the board has no way of knowing the extent or magnitude of claims filed against its licensees for professional negligence.

Use of Insurer Reports

Two insurers are reporting as required by 37-3-402, MCA. The board, however, does not currently use the malpractice information provided; i.e., insurer name, policy number, doctor's name and location, and description of claim.

We reviewed the board's malpractice claim reports from one insurance company and noted several claims against a Montana clinic. During a four-month period, the clinic received four malpractice claims against three doctors associated with the clinic. Of the four claims, three separate claims alleged the leaving of surgical tools (a sponge, a blood vessel clamp, a surgical clamp) within the bodies of patients after surgery. There is no record of board investigation into the nature of these claims.

The insurer reporting law was enacted to provide the board with information necessary to identify individuals and trends in medical malpractice. The above example illustrates what may be a trend of professional negligence within a medical organization. Since the board does not presently review or use insurer malpractice reports, the insurer reporting requirement is

serving no useful purpose and may be a needless expense for insurers. The board has noted that since it never receives the final disposition of claims, the utility of the current information is of minimal value. Paid malpractice claims have greater significance to the board for identification of marginal practitioners.

Without complete information from insurers and without follow-up information on claim disposition, the board's use of available resources needs to be reevaluated. The board has stated that it will attempt to receive information on paid claims in the future. However, the requirement of claim disposition being reported to the board is not specifically addressed in 37-3-402, MCA.

MEDICAL MALPRACTICE

As of December 1978, Montana was ranked 9th in the United States for the number of paid malpractice insurance claims against physicians per 100 practicing physicians. The national average of paid claims per 100 physicians is 1.31, while Montana was 1.52. Nationally, the over-65 age group of physicians generates the highest paid claims average for all temporary injuries and for permanent significant injuries and death. In permanent grave injuries, the highest average is produced by the 56-65 age group and the second highest by the 45-55 age group.[1] Therefore, it is the

[1] N.A.I.C. Malpractice Claims, Vol. 2, No. 1, December 1978.

physician 20 years or more out of medical school who is experiencing the highest incidence of patient harm as indicated by the amount of paid claims.

For fiscal years 1972-73 through 1978-79, 104 complaints were formally registered against Montana doctors. For all doctors complained of, the average age was 53. For those Montana doctors which the board acted against, i.e., license revocation, suspension, voluntary surrender of license, reduced privileges, letter of reprimand, or verbal reprimand, (see Illustration 7), the average age was 57. The average age of doctors practicing in Montana is 47.

For protection of the public, the board could determine the reason(s) for the high correlation between the age of doctors and the number of complaints and determine what action, if any, can be taken to remedy the situation.

CONTINUED COMPETENCY

One notable difference between the three health professions licensed by the board is that only emergency medical technicians have a mandatory continuing education requirement for recertification (see Illustration 4, page 12).

Although the opportunities for continuing education in acupuncture are sparse, such is not the case for medical doctors. In 21 states, (Montana included) the state medical association requires mandatory minimum continuing medical education of its voluntary

members as a condition for maintaining membership. Presently, 86% of the physicians licensed in Montana are members of the Montana Medical Association and must show proof of 150 hours of continuing medical education every three years.

According to a 1973 report by Department of Health, Education, and Welfare, Commission on Medical Malpractice: "In medicine, the general legal obligation of the physician to use reasonable care in treating patients imposes the duty to exercise the degree of care, diligence, and skill that other physicians exercise under like circumstances. It is the alleged failure to adhere to this standard of conduct which is the underlying issue in nearly every malpractice case. Since the standard of care is directly related to current practices and the existing state of knowledge, methods of practice which may have constituted reasonable care in the past may not constitute reasonable care today. Therefore, the necessity for keeping current in treatment methods is apparent.

In 1972, New Mexico was the first state to require evidence of continuing education as a condition of relicensing. As of 1979, 26 other states have enacted mandatory continuing medical education requirements for medical doctors. The continuing medical education requirements range from 20 hours to 150 hours during a one to three year time period.

Six licensed health-related professions in Montana have statutory continuing education requirements for relicensure. They are:

--Optometrists

--Chiropracters

--Speech Pathologists and Audiologists

--Cosmetologists (teachers only)

--Pharmacists

--Veterinarians

Arguments against continuing education maintain that continued competence within an occupation or profession is the responsibility of the individual and is a factor of the individual's motivation. Therefore, mandatory continuing education, by itself, may not assure continued competence. This view is held by board members and members of the Montana Medical Association.

PHYSICIAN ASSISTANTS

During the last ten years, a relatively new concept in medicine has developed; the "physician assistant." The physician assistant is trained to provide specified tasks under the supervision and medical responsibility of a medical doctor. Typical tasks performed by physician assistants are as follows: urinalysis and blood tests, pelvic examinations, treatment of pneumonia and sore throats, child immunization,

acute trauma, initial stabilization of heart attacks, tests of bacterial cultures, and minor surgery. In 13 states physician assistants may write prescriptions for uncontrolled (non-narcotic) drugs. The tasks performed by the physician assistant are generally not considered to be nursing tasks.

Physician assistants must graduate from a university, or medical school, physician assistant curriculum. Most have two or more years of recent experience in direct patient care and commonly have military experience as medical corpsmen.

As of January 1980, 44 states have enacted specific legislation permitting the physician assistant to practice and five states (Montana included) allow them to practice but do not specifically acknowledge them in the law. New Jersey is the only state which has no provision for physician assistant practice. The state of Alabama specifically identifies the "Assistant to Physician" as a person who is a graduate of an approved program and regulated by the Board of Medical Examiners to perform medical services under the supervision of a physician. Alabama law gives the board power to recognize, approve, and disapprove new categories and specialities of assistants to physicians as they develop in the delivery of health care. The Amercian Medical Association accepts the speciality of "physician assistant" and certifies training programs. Physician

assistant's may be nationally certified by the A.A.P.A. (American Academy of Physician Assistants) and once certified must fulfill continuing education and reexamination requirements for continued certification.

The rural nature of Montana's population lends itself to the physician assistant concept. Both communities too small to support a full-time doctor and communities with physicians that may be overworked can still receive basic medical services through a physician assistant.

According to practicing physician assistants in Montana, there are approximately 30 physician assistants in the state. Montana law does not specifically address the term physician assistant. However, "paramedical specialists" are specifically exempted from medical licensing when services are rendered under the direction and supervision of a licensed medical doctor. Physician's assistants in Montana are now practicing under the paramedical specialist exemption.

Since physician assistants are providing medical services to the public, a determination should be made as to their place in the health care spectrum. Consideration could be given to specifically recognizing the physician assistant category in Montana law and establishing standards of practice for the protection of the public.

ASSOCIATION APPROVAL OF SERVICES

Section 53-3-103, MCA, states in part that:

> ". . . medical aid and hospitalization for county residents and nonresidents within the county unable to provide these necessities for themselves are the legal and financial duty and responsibility of the board of county commissioners and are payable from the county poor fund. The board of county commissioners shall make provisions for competent and skilled . . . medical or surgical services as are approved by the department of health and environmental sciences or the state medical association. . ."

Not all practitioners in the medical field are members of the association. Association members represent approximately 86 percent of the profession in Montana. By establishing in the statutes that skilled services may be approved by the association, there exists an exclusive arrangement. The intent of association approval appears to be to obtain professional consultation for the county commissioners, but what also occurs is that a specified private organization has approval authority over services which are paid for from governmental funds.

The purpose of licensing doctors is to assure competent practitioners. Thus, approval of skilled services should most likely lie with the governmental body responsible for assuring competence, not a private association.

CITIZENSHIP

As a result of recent U.S. Supreme Court rulings, the U.S. citizenship requirement for practice has been

eliminated by most boards and licensing agencies. However, the citizenship requirements still remain for acupuncturists (see Illustration 4, page 12). Although there are few acupuncturists in Montana the requirement has been determined to be overly restrictive and unrelated to competence in a profession.

BOARD MEMBERSHIP

Public and Profession Membership

In order to facilitate public input into board operations, some states have required that regulatory boards have public members. As previously noted, in nine states public members comprise a portion of the medical board. Presently, twelve occupational licensing boards in Montana have public members. The Montana Board of Medical Examiners does not have a public member.

Public membership and participation in board decision-making processes should aid in ensuring that public opinion is expressed. Of potentially equal importance, is the input from each facet licensed and regulated by the board. In this case, the acupuncturist and emergency medical technician, as well as the medical doctor, are licensed by the board and subject to board regulations. Currently, the board has no acupuncturist or medical technician member.

If public, acupuncturist or technician membership is desired, appointments of members should be balanced

against factors such as the size of the board and the professions represented.

FUND BALANCE AND EXAMINATION FEE

As earlier noted in Chapter II, the board's expenditures are supported through examination and licensing fees. All revenues are deposited to an account in the earmarked revenue fund. If the board does not fully expend its revenues the remaining funds revert to the account. As noted in Illustration 3, page 10, the board increased their annual re-registration fee from $20 to $50 in fiscal year 1977-78. This caused an increase in revenue of $76,000 and an increase in the fund balance of $34,000. The fee increase was intended to cover higher administration, investigation and hearing costs.

Recent court decisions concerning license fees charged by regulatory boards held that generally the fee charged for licenses may be only as much as is necessary to pay for the cost of administering the examination and licensing program. In other words, fees must be reasonably related to the cost involved in regulation. The increasing fund balance for the board indicates that current examination and licensing fees may be excessive as they relate to the current cost of administration.

In reviewing the statutes and rules relating to the board's regulatory authority over the practice of

acupuncture, we noted that the board imposes a $350 application examination fee upon those requesting to be licensed as acupuncturists. The Acupuncture Practice Act (Title 37, Chapter 13, MCA) makes no reference to the imposition of such a fee. The statutes state that "an examination fee of $50 shall accompany the application," referring only to a test (examination) fee, not a background check. Therefore, the authority of the board to impose such a fee is questionable.

ADMINISTRATIVE FUNCTIONS

As a result of various sunset reviews of boards within the Department of Professional and Occupational Licensing, two separate administrative areas have consistently been identified. These areas are:

--Automated license records.

--Multi-year renewal.

Since it is intended that individual documents, addressed to the department, will be formulated concerning these administrative areas, a detailed discussion of each is not presented in our review of the board.

Automated License Records

At the present time, most licensee records are kept manually by the boards within the department. In addition, new and renewed licenses are manually typed by administrative secretaries. An alternative is to automate license records through a department-wide system. The automated system could print renewal

notices and also licenses. In addition, such automated records could be used to generate statistical reports on the licensee populations. Additions, deletions, and corrections to the licensee files could also be made easily.

Multi Year Renewal

Most boards within the department are statutorily required to renew licenses on an annual basis. Annual renewal may not be necessary and may result in administrative costs in excess of those necessary for effective regulation. An alternative to annual renewal is to spread renewals over two or more years. If renewals were extended for more than one year, the department workload and administrative expenses would be reduced.

OTHER AREAS OF CONSIDERATION

In previous reviews of regulatory boards in Montana, the aspect of board member reimbursement was often discussed. This issue was not addressed in this review since the reimbursement of board members is consistent with that of other regulatory boards.